REMARKS

Favorable consideration of this application, as presently amended, is respectfully

requested.

By the present Preliminary Amendment the specification is amended to correct minor

informalities.

Further, replacement Figs. 20, 27, 28, 34 and 40 are submitted herein to correct minor

informalities in those figures.

Replacement Figure 20 now labels element 40a. Replacement Figure 27 now

properly recites for element 732 a "Calculation - Processing Section". Replacement Figure

28 now includes reference No. 75. Replacement Figure 34 now indicates one input to the

Prediction Coefficient Memory 92 as properly labeled as HM. Replacement Figure 40 now

properly recites for element 942 a "Teacher Pixel Cut-Out Section".

The changes made to the specification and in the replacement figures are deemed to

be self-evident from the original disclosure, and thus are not deemed to raise any issues of

new matter.

The present application is believed to be in condition for a full and thorough

examination on the merits. An early and favorable consideration of the present application is

hereby respectfully requested.

Respectfully submitted,

OBLON, SPIVAK, McCLELLAND,

MAIER & NEUSTADT, P.C.

Customer Number

22850

Tel: (703) 413-3000 Fax: (703) 413 -2220

(OSMMN 06/04)

Bradley D. Lytle Attorney of Record

Registration No.: 40,073

Surinder Sachar

Registration No. 34,423

BDL/SNS/law

I:\ATTY\SNS\278697US-PR.DOC

10